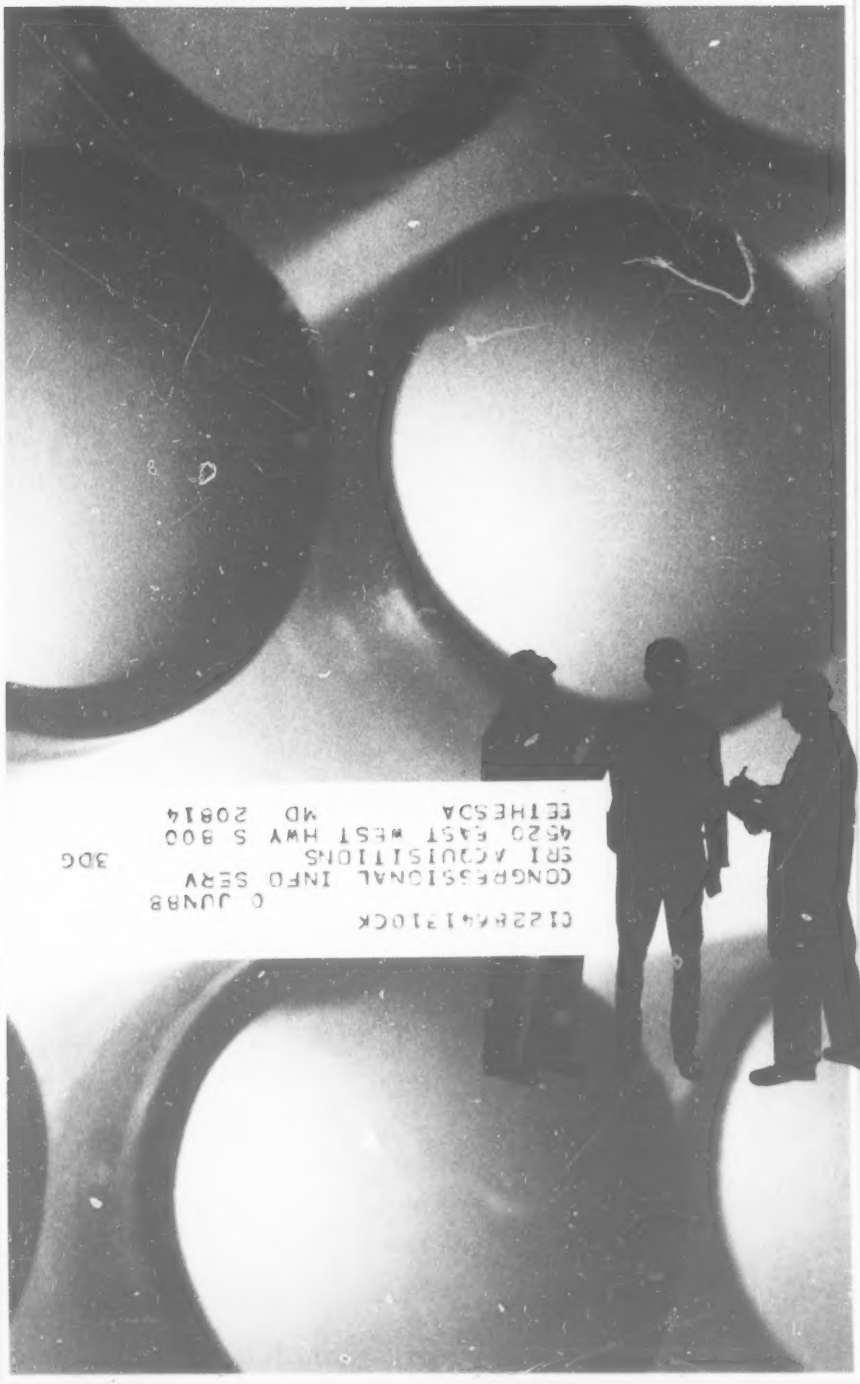
CHILTON'S

October 15, 1984

IRON AGE METALS PRODUCER



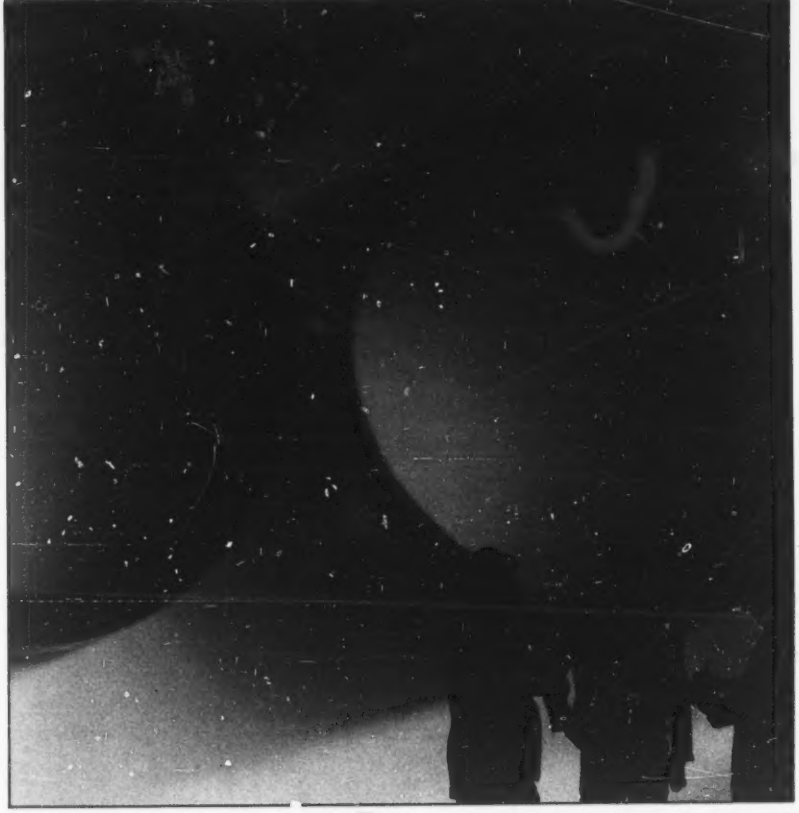
HARD TIMES IN WORLD STEEL – IS ITS MANAGEMENT GOOD ENOUGH?

In Plant Spotlight: Mannesmann Takes the Wraps off a New Roll Grinder

The Hot Spot: Stelco and Sandvik Debate the Trade Question

OCTOBER 15, 1984 VOL. 227, NO. 20

IRON AGE METALS PRODUCER



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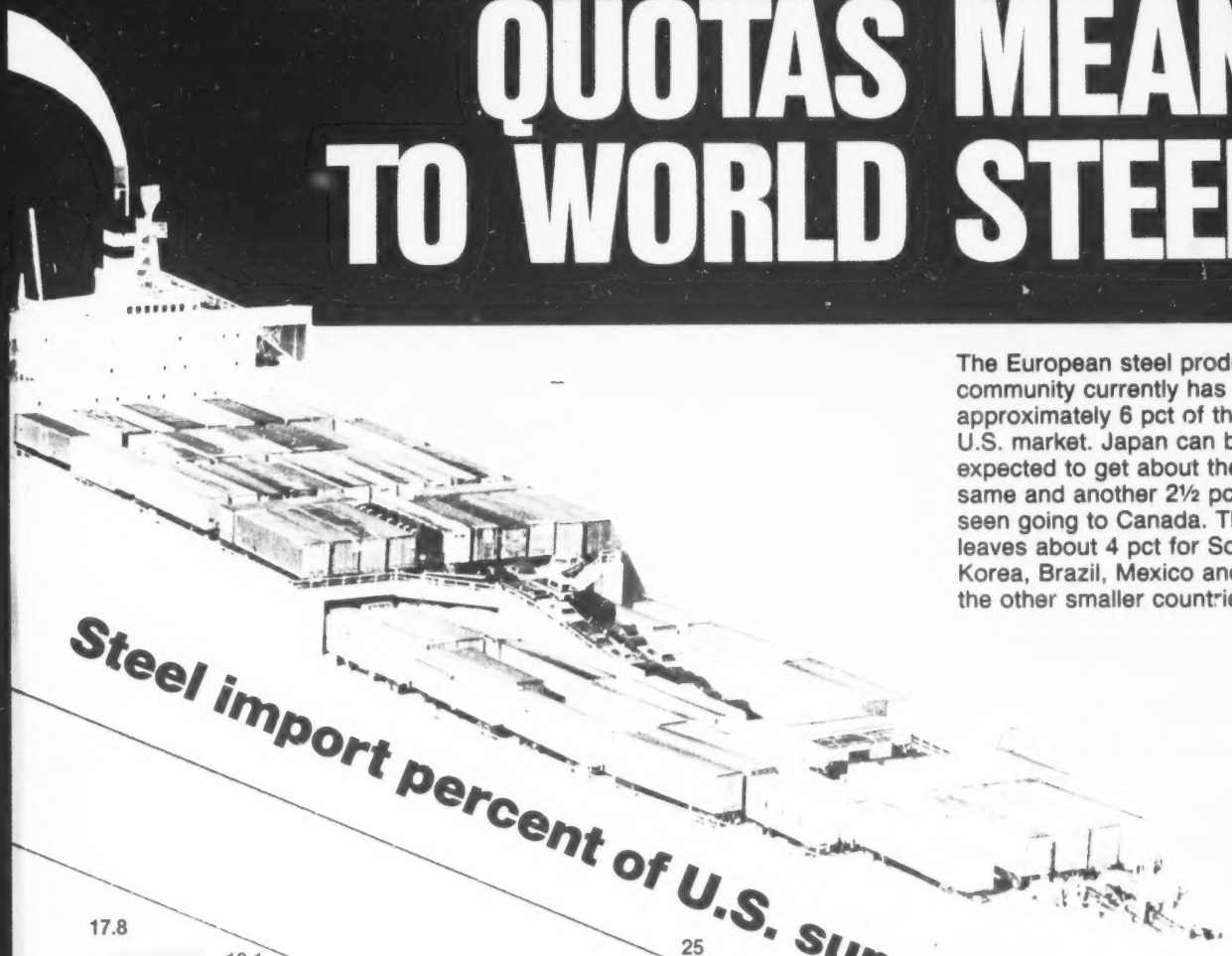
WHAT VOLUNTARY QUOTAS MEAN TO WORLD STEEL



The European steel producing community currently has approximately 6 pct of the U.S. market. Japan can be expected to get about the same and another 2½ pct is seen going to Canada. That leaves about 4 pct for South Korea, Brazil, Mexico and all the other smaller countries.

Steel import percent of U.S. supply

1976	1977	1978	1979	1980	1981	1982	1983	1984**	1985*
14.1	17.8	15.2	18.1	16.3	18.9	21.8	20.5	25	18.5

*Up to 1.7 million tons of semifinished can be imported in addition to 18.5 pct. finished steel.
**Estimated.

BY GEORGE MCMANUS

U.S. steel producers are hoping they have at long last found a good solution to their import problems.

Under a program announced by the Reagan Administration, imports of all carbon steel will be limited by voluntary agreements.

The limit on finished products will be 18.5 pct. It will take place immediately and run for five years. There will supposedly be provision for enforcement.

In their reactions, domestic producers offered tentative endorsements of the program.

"If implemented, as designed, it would effectively reduce imports from the 33 pct level of July to slightly more than 18 or 19 pct," said David M. Roderick, chairman of United States Steel Corp.

The proposed limit is a "fair one", said Frank W. Luerssen, chairman of Inland Steel Co. "...the enforcement mechanism will play a critical role." He called for a licensing arrangement similar to that now covering most products imported from Europe.

Not enthusiastic about the Reagan proposal was Rep. Joseph Gaydos (D., Pa.), chairman of the House Steel Caucus. The effectiveness of the program depends on the integrity of foreign governments and the sincerity of the Administration in forcing compliance, said Mr. Gaydos.

"I wouldn't bet the mortgage on either one," he said. "Foreign governments have violated such agreements in the past and it was the failure of our government to enforce our trade laws that helped put steel in the mess it is in today."

Equally skeptical was Lynn Williams, president, United Steelworkers of America (USWA). The Steelworkers are strongly committed to the defeat of President Reagan, and it's hardly surprising that the union was critical of the President's plan.

As Mr. Gaydos indicated, the actual effect of the plan will depend on the determination of the Reagan Administration. If the full weight of the government is thrown behind the voluntary plan, you will have something close to a formal, involuntary quota.

Without tough negotiation and enforcement, the program could simply result in 'rubberband agreements.' The current European agreement on pipe and tubing illustrates how flexible voluntary restraint can be. In the first six months of 1984, European shipments of oil country seamless came to 22 pct of the market. The limit is supposed to be 8.76 pct.

On the other hand, major portions of the Common Market agreement demonstrate that voluntary accords can be effective. The Europeans have held to specified limits on products covered by licensing and subject to U.S. rejection.

Assuming the new agreements are negotiated and enforced, it will be some time before the effects can be identified.

Earlier, the Congressional Budget Office estimated that a 15 pct steel quota would mean a 26.6 pct steel price increase in 1985. Even without quotas, the agency said, steel prices would go up 16 pct next year.

Others have also warned that trade curbs would have dire price consequences. "Protecting steel would drive up prices and restrain demand for autos, durable goods like refrigerators," wrote Tom Wicker (*New York Times*, Aug. 31, 1984). "Higher steel prices will excite a consumer reaction, too..."

Price Movement?

It's ironic that people keep suggesting the steel industry is about to gouge the public. The fact is that steel prices haven't gone up since 1981 and are being vigorously slashed right now. Price weakness was the main cause of the $6 billion loss in 1982 and 1983.

Steel producers would love to raise prices. Some restoration is urgently needed, but industry leaders doubt that sustained escalation will be possible.

"Our annual plans, our five-year plans—they do not include price increases," said Howard M. Love, chairman of National Intergroup, Inc. "They include cost decreases..."

In the current situation, it isn't expected there will be an abrupt cut of imports. Even though compliance is supposed to start Oct. 1, it's expected that continued heavy shipments will move imports for the year to 25 million tons.

A portion of this tonnage will probably impact 1985 markets and contribute to extended price weakness. When and if voluntary agreements do take effect, they will allow generous quantities of foreign steel into the country.

In this connection, the 18.5 pct share planned for imports is high by all historical standards. From 1975 to 1980, imports averaged 16 pct of U.S. supply. In 1977, when imports contributed to a major price collapse, the foreign share was 17.8 pct.

By accident or design, foreign producers created a convenient straw man when they upped shipments in 1984. From 20.5 pct in 1983, the import share rose to more than 25 pct in the first seven months of 1984. That left room for the Administration to make a sharp cut while still leaving imports with about one-fifth of the market.

"You're talking about imports being about 1 pct less than the average of the last three years," said a steel analyst.

The foreign share is coming out of a very weak market. "The industry now is operating at 57 pct of capacity," said Mr. Roderick. "Until the domestic market strengthens, I don't think this (the import program) is going to make any meaningful change in pricing."

Nevertheless, the planned program was considered a lot better than nothing. "It's going to add a greater degree of stability," said an official. In the past, the unpredictable spurts and swoops of imported steel have made for disruption, he said.

He also noted that while 18.5 might be high by past standards there was no guarantee that imports wouldn't go to 40 or 50 pct of the market. The 33 pct share in July provided one warning in this regard. And the proposed 18.5 pct limit does represent a yearly reduction of 5 million or 6 million tons from the most recent levels.

The 18.5 pct is considered firm and specific by steel producers. There were reports that the Administration regarded that number as a ballpark target.

"The commitment discussed with this Administration was that the importation of steel mill products into this country would be limited by voluntary agreements to 18½ pct," said Mr. Roderick. "And if they don't do it, as far as I'm concerned, they will have broken a commitment... There was no confusion. It was a commitment, not a target."

The crunch in negotiating agreements will probably come in the more than 15 smaller countries. The Europe-

ans now have about 6 pct of the U.S. market. Japan can be expected to get about the same and another 2½ pct is seen going to Canada.

That leaves about 3½ to 4 pct for South Korea, Brazil, Mexico and all the other smaller countries. These countries have been accounting for 14 pct of U.S. supply.

No Limit on Shipments

Needless to say, no one will volunteer to limit shipments without considerable pressure. The pressure will be provided by the numerous dumping and subsidy cases in the works.

"Some of the cases we have out there are very, very powerful," said Mr. Roderick. "We have duties against certain countries that are like 70-80 pct. That means they are totally out of the market unless they can somehow remove those duties.

"So in effect, they are buying a piece of the market and they are buying freedom from a lot of suits. So there's tremendous leverage out there on the part of our negotiators."

The trade suits and the penalties will be dropped when agreements are negotiated. One exception will be semifinished steel. The program allows 1.7 million tons of semifinished to be imported.

"To assure that one domestic producer is not getting an advantage over another domestic producer," said Mr. Roderick, "we have insisted in the case of semi-finished that individual producers reserve the right to file suits..."

Another steel official spoke of a contest to see who gets the allotted semifinished.

Enforcement of the voluntary agreements will be through a number of measures.

The government's announcement refers to "vigorous and comprehensive action against unfair trade practices. ...The Department of Commerce will continue to rigorously enforce our unfair trade laws."

Actually, of course, the voluntary program will be in lieu of trade law enforcement.

The trade suits could be revived if foreign countries failed to abide by agreements, but that would simply put domestic mills back where they were to start with.

Also mentioned in the Administration release is the possibility of invoking Section 301 of the Trade Act. This section gives the President broad power to deal with trade problems. In the case of specialty steel, a long procedure under 301 brought a remedy that consisted of another long action under Section 201.

The key enforcement instrument may be legislative authority under a 626 bill. "If they begin to exceed their commitment during that five-year period," said Mr. Roderick, "our government would have the power through 626 legislation to stop those tons at the border."

This legislation is in effect for licensed products of the European steel agreement. As has been noted, the combination of European control and U.S. power has kept most of the imports to the negotiated quantities.

Tubular producers weren't covered by licenses or 626. Common Market officials argued that pipe and tubing were outside their sphere. Imports of the tubular grades have zoomed.

Overages have also developed for wire, nails, black plate and a few other products not covered by licenses. Problems developing for these products are supposed to be dealt with by consultation and ultimately licensing. There have been problems but there have been no consultations.

Equally unsatisfactory to domestic producers is the understanding that has supposedly been limiting imports from Japan. In arguments against steel trade curbs, this understanding is frequently cited as something firm and specific.

"Nobody knows what it is," said Mr. Roderick. "It's just something that is very vague."

It appeared for a while that the Japanese were tracking the European agreement. In the first seven months of 1984, however, steel imports from Japan rose 85 pct and exceeded the European volume by about 600,000 tons.

In short, past experience suggests that effective voluntary restraints will require definite measures for monitoring and controlling imports. With this in mind, the Administration has promised to "support legislation in the Congress to make enforceable at our borders all voluntary agreements and surge control arrangements."

626 Legislation

The timing and nature of this legislation could be crucial. "There is a 626 up in the Senate right now," said Mr. Roderick. He noted in late September that there were only eight more days before Congress recessed.

"We have committed that the 626 to be sought will be a clean bill," said Mr. Roderick. "We will try not to create a Christmas Tree."

Unhappily, this is exactly what the industry may get under legislation sponsored by Daniel Rostenkowski (D., Ill.), chairman of the House Ways and Means Committee. Proposed as an amendment to the broad trade bill is the Steel Import Stabilization Act.

The amendment includes the 626 authorization, but it also has such ornaments as Congressional review of steel investments and reportedly something about 'price discipline.'

"It sounds like national industrial policy," said one chief executive.

So there are a few loose ends to be nailed down before the Reagan Administration's program can really be evaluated. Steel producers have reservations, but none of the other options were particularly promising.

A legislated 15 pct steel import quota was being sought. "Would you rather have 15 pct than 18½ pct? Sure, I'd rather have 15 pct," said Mr. Roderick. "But the best we could get was 18½."

It was highly unlikely that the industry could have gotten the 15 pct legislation. The limited quotas recommended by the International Trade Commission (ITC) would have helped sheet producers but would have hurt others.

The final option for steel producers was just to keep filing dumping and subsidy complaints. This is an agonizingly slow process and at best, provides very narrow remedies. It is almost impossible to nail every product from every country.

The voluntary program was probably the steel industry's best bet, but there are those with misgivings. "In this time frame, I don't trust any politician," said a staff man.

Before the 90 days for negotiating agreements have expired, he noted, the Presidential election will be over. "If the Reagan Administration loses," he said, "they won't be running things. If they win, they won't have to be nice to the steel industry." □

PRICE & PRODUCTION DATA

(Effective October 1, 1984)

Steel production by districts, thousands of tons (000 omitted)

	Last Week	Two Weeks Ago	Month Ago	Year Ago
North East Coast	125	124	181	175
Pittsburgh	221	230	197	202
Youngstown	88	99	76	104
Lake Erie	137	159	141	139
Detroit	120	116	142	104
Chicago	302	350	366	480
Cincinnati	79	81	96	102
St. Louis	73	74	53	69
Southern	152	159	157	141
Western	67	70	66	95
U.S. Production	1,364	1,462	1,475	1,641

Source: American Iron & Steel Institute

Lake Superior Ore Prices

51.50% Fe Natural delivered lower Lake ports. Rail transportation, handling and unloading may be charged to the account of the buyer. Coarse ore 80¢ premium.

Pellets (per iron unit natural).....gross-ton 80.50-86.9*
Mesabi, regular-unscreened .....gross-ton $32.53
Mesabi, non-bessemer.....gross-ton $30.03-31.53**

*80.50¢—Pickands Mather as of 1/27/81.
86.9¢—U. S. Steel as of 3/15/82. Cleveland-Cliffs as of 2/26/82, Oglebay Norton as of 3/25/82, and Hanna Mining as of 2/26/82.
**Effective 8/1/83.

STEEL PRODUCTION, COMPOSITE PRICES

(Effective October 1, 1984)

U.S. Steel Production	Last Week	Two Weeks Ago	To Date 1984	To Date 1983
Net tons, in thousands	1,364	1,462	71,671	60,695
Capability Utilization Rate	52.9	56.7	71.0	53.9

Composite Prices	This Week	Week Ago	Month Ago	Year Ago
Finished Steel Base* (¢/lb.—eff. 7/1/84)	27.582	27.582	27.582	26.822
Pig Iron** (Net ton=2000 lbs.)	$213.00	$213.00	$213.00	$213.00
Scrap No. 1 hvy.*** (Gross ton=2240 lbs.)	$ 83.84	$ 85.17	$ 84.50	$ 77.50
No. 2 bundles	$ 51.50	$ 51.50	$ 52.17	$ 46.50

Scrap Comparison (Gross Ton)

No. 1 steel, Pittsburgh..	$ 88.50	$ 92.50	$ 90.50	$ 82.50
No. 1 steel, Philadelphia ..	81.50	81.50	81.50	70.50
No. 1 steel, Chicago.....	81.50	81.50	81.50	79.50
No. 1 bundles, Detroit	75.50	77.50	77.50	81.50
Low Phos., Youngstown ..	80.50	80.50	80.50	84.50
No. 1 mach'y cast., Pgh...	71.50	71.50	71.50	74.50
No. 1 mach'y cast., Phila .	98.50	98.50	98.50	95.50
No. 1 mach'y cast., Chi..	115.50	115.50	115.50	109.50

*Finished Steel Composite: Weighted index of steel bars, shapes, plates, wire, rails, black pipe, hot and cold rolled sheets and strips.
**Pig Iron Composite: Based on average prices for basic and foundry pig iron at representative producing points within the U.S.
***Steel Scrap Composite: Average of No. 1 hvy. melting steel scrap and No. 2 bundles delivered to consumers at Pittsburgh, Philadelphia and Chicago.

NONFERROUS PRICES

(Effective October 1, 1984) Prices obtained in trade based on representative tonnages per gross ton delivered to consumer unless otherwise stated

Primary Metal Prices

(cents per lb.)	current price	last price	date of change
Aluminum (LME)	46.08	45.28	10/1/84
Copper (C)	61.00-62.00	62.00-	9/20/84
Lead	23.00-26.00	22.00-26.00	9/24/84
Magnesium Ingot	148.00	143.00	5/25/84
Nickel (LME)	213.58	213.23	10/1/84
Titanium Sponge	555.00-585.00	555.00	4/29/82
Zinc	45.00	45.00-48.00	9/21/84

ALUMINUM: Avg. for last week & previous week. COPPER (C) = cathode. LEAD: common grade. MAGNESIUM: 99.8% pig, delivered. NICKEL: Avg. for last week & previous week. Canada. ZINC: high grade.

Antimony, American Laredo, Texas	$2.00
Beryllium-aluminum 5% Be, per lb. contained Be	$230.00
Beryllium-copper, per lb. cont. Be	$140.00
Beryllium 97% powder 200	$178.00
Cadmium, ton lots	$1.55
Calcium, ton lots, crown	$3.58
Chromium, 99.8%	$3.75
Cobalt, 99%, cathode	$12.50
Gold per troy oz.	$345.40
Indium, dollars per troy oz.	$3.30
Iridium, dollars per troy oz.	$500
Magnesium sticks, 10,000 lbs.	$1.97
Mercury, per 76-lb. f.o.b. N.Y.	$320-$327
Molybdenum, lb. tech. moly oxides, 20 lb. MO can	$6.85
Nickel electro (PDCR)	$3.29
Palladium, per troy oz.	$138
Platinum, per troy oz.	$322
Rhodium, per troy oz.	$700
Silver ingots, per troy oz.	$7.50
Vanadium	$6.00
Zirconium sponge	$12.00-$17.00

(Per lb. unless otherwise noted)

Straits Tin Price

(U.S. cents per lb, EX-SMELTER, based on daily market in Penang in Malaysian dollars per kilo.)

Sept. 24—562.88 Sept. 27—560.23
Sept. 25—560.50 Sept. 28—557.85
Sept. 26—Holiday

Scrap Prices
Brass Mill Scrap

(Cents per lb; over 20,000 lbs. add 1¢ per lb)

	Solids	Turning
Copper	58½	54½
Yellow brass	55⅛	51¾
Red brass	55⅜	52¼
Comm. bronze	55¾	52½
Mang. bronze	57⅜	47½
Free cutting rod ends	54	53

Custom Smelters Scrap

(Cents per lb., carload lots, del. refinery)

No. 1 copper wire	52
No. 2 copper wire	43
Light copper	34

Ingot Makers Scrap

(Cents per lb., carload lots, del. refinery)

No. 1 copper wire	48
No. 2 copper wire	39
Light copper	30
No. 1 composition	50
No. 1 comp. turnings	47
Hvy. yellow brass solids	35
Hvy. yellow brass turnings	33
Radiators	40

Aluminum

New mixed clips	32	—33
Old sheet	30	—31
Old cast	30	—31
Clean dry borings	31	—32

Dealers' Scrap

(Dealers' buying price f.o.b. New York in cents per pound)

Aluminum

Segregated clippings	31	—32
Mixed L.C. clips	27	—29
Old sheets and cast	23	—24
Borings and turnings	20	—21
Duraluminum clippings	24	—25

Copper and Brass

No. 1 copper wire	45	—46
No. 2 copper wire	37	—38
Light copper	33	—34
Radiators	32	—33
No. 1 composition	41	—42
No. 1 composition turn'gs	38	—39
Cocks and faucets	30	—31
Clean heavy yellow brass	28	—29
Brass Pipe	29	—30
New soft brass clippings	42	—43

Lead

Heavy soft lead	9	—10
Whole batteries	3	— 4
Type metal	14	—15
Electrotype	13	—14

Nickel

Nickel solids	120	—130
Nickel rod ends	120	—130
Nickel sheets, clips	120	—130
Nickel turnings	45	— 55

Zinc

New zinc clippings	18	— 19
Old diecast zinc	14	— 15

EFFECTIVE OCT. 1, 1984

(Effective October 1, 1984) Prices obtained in trade based on representative tonnages per gross ton delivered to consumer unless otherwise stated. Prices are the opinions of *Iron Age* editors and correspondents, based on contacts with dealers, brokers, generators and users in the industry on the effective date listed above.

Ferrous Scrap Prices

Pittsburgh

No. 1 hvy. melting	$ 88.00 to	$ 89.00
No. 2 hvy. melting	78.00 to	79.00
No. 1 dealer bundles	104.00 to	105.00
No. 1 factory bundles (auto)	99.00 to	100.00
No. 2 bundles	53.00 to	54.00
No. 1 busheling	107.00 to	108.00
Machine shop turn	12.00 to	13.00
Shoveling turnings	51.00 to	52.00
Cast iron borings	49.00 to	50.00
Low phos. punchings plate	107.00 to	108.00
Heavy turnings	78.00 to	79.00
No. 1 RR hvy. melting	98.00 to	99.00
Rails 2 ft. and under	112.00 to	113.00
Scrap rails, random lgth.	103.00 to	104.00
RR specialties	105.00 to	106.00
No. 1 machinery cast	71.00 to	72.00
Cupola cast	64.00 to	65.00
Heavy breakable cast	30.00 to	31.00
Stainless		
18-8 bundles and solids	560.00 to	570.00
18-8 turnings	460.00 to	470.00

Chicago

No. 1 hvy. melting	$ 81.00 to	$ 82.00
No. 2 hvy. melting	74.00 to	75.00
No. 1 dealer bundles	97.00 to	98.00
No. 1 factory bundles (auto)	93.00 to	94.00
No. 2 dealer bundles	51.00 to	52.00
No. 1 busheling	99.00 to	100.00
Shredder scrap	96.00 to	97.00
Machine shop turn	44.00 to	45.00
Mixed bor. and turn	46.00 to	47.00
Shoveling turnings	52.00 to	53.00
Cast iron borings	49.00 to	50.00
Low phos. forge crop	117.00 to	118.00
Low phos. punchings plate ¼ in. and heavier	127.00 to	128.00
Low phos. 2 ft. and under	122.00 to	123.00
No. 1 RR hvy. melting	97.00 to	98.00
Scrap rails, random lgth.	99.00 to	100.00
Reroller rails	110.00 to	111.00
Rails, 2 ft. and under	121.00 to	122.00
RR couplers and knuckles	101.00 to	102.00
RR car axles	133.00 to	134.00
No. 1 machinery cast	115.00 to	116.00
Cupola cast	102.00 to	103.00
Stove plate	99.00 to	100.00
Steel car wheels	111.00 to	112.00
Stainless		
18-8 bundles and solids	490.00 to	500.00
18-8 turnings	420.00 to	430.00
430 bundles and solids	120.00 to	125.00
430 turnings	80.00 to	90.00

Philadelphia

No. 1 hvy. melting	$ 80.00 to	$ 83.00
No. 2 hvy. melting	71.00 to	74.00
No. 1 dealer bundles	94.00 to	97.00
No. 2 dealer bundles	48.00 to	51.00
No. 1 busheling	94.00 to	97.00
Shredder scrap	100.00 to	103.00
Machine shop turn	29.00 to	32.00
Mixed bor. and turn	29.00 to	32.00
Shoveling turnings	38.00 to	41.00
Low phos. 5 ft. and under	91.00 to	94.00
Low phos. 2 ft. punchings	115.00 to	118.00
Electric furnace bundles	98.00 to	101.00
RR specialties	97.00 to	100.00
Rails, 2 ft. and under	117.00 to	120.00
Cupola cast	77.00 to	80.00
Heavy breakable cast	57.00 to	60.00
No. 1 machinery cast	97.00 to	100.00

Detroit

Broker buying prices per gross ton on cars:

No. 1 hvy. melting	$ 57.00 to	$ 58.00
No. 2 hvy. melting	56.00 to	57.00
No. 1 dealer bundles	75.00 to	76.00
No. 2 bundles	39.00 to	40.00
No. 1 busheling	74.00 to	75.00
Drop forge flashings	45.00 to	46.00
Machine shop turn	53.00 to	54.00
Mixed borings and turn	26.00 to	27.00
Shoveling turnings	54.00 to	55.00
Cast iron borings	37.00 to	38.00
Heavy breakable cast	40.00 to	41.00
Mixed cupola cast	56.00 to	57.00
Automobile cast	80.00 to	81.00
Stainless		
18-8 bundles and solids	455.00 to	465.00
18-8 turnings	360.00 to	370.00
430 bundles and solids	110.00 to	120.00

Youngstown

No. 1 hvy. melting	$ 66.00 to	$ 69.00
No. 2 hvy. melting	47.00 to	50.00
No. 1 dealer bundles	79.00 to	82.00
No. 2 dealer bundles	35.00 to	38.00
Machine shop turn	13.00 to	16.00
Shoveling turnings	18.00 to	21.00
Low phos. plate	79.00 to	82.00
Electric furnace bundles	76.00 to	79.00
Galvanized bundles	67.00 to	70.00

Cleveland

No. 1 hvy. melting	$ 60.00 to	$ 63.00
No. 2 hvy. melting	37.00 to	40.00
No. 1 dealer bundles	73.00 to	76.00
No. 1 factory bundles	77.00 to	80.00
No. 2 bundles	19.00 to	22.00
No. 1 busheling	78.00 to	81.00
Machine shop turn	8.00 to	11.00
Mixed bor. and turn	8.00 to	11.00
Shoveling turnings	10.00 to	13.00
Cast iron borings	13.00 to	16.00
Cut structural & plates, 2 ft. and under	110.00 to	113.00
Low phos. punchings plate	110.00 to	113.00
Drop forge flashings	42.00 to	45.00
Foundry steel, 2 ft. & under	62.00 to	65.00
No. 1 RR hvy melting	79.00 to	82.00
Rails, 2 ft. and under	115.00 to	118.00
Rails, 18 in. and under	115.00 to	118.00
Steel axle turnings	59.00 to	62.00
Railroad cast	92.00 to	95.00
No. 1 machinery cast	102.00 to	105.00
Cupola cast	58.00 to	61.00
Stove plate	44.00 to	47.00
Stainless		
18-8 bundles	375.00 to	385.00
18-8 turnings	325.00 to	335.00
430 bundles	80.00 to	85.00

Buffalo

Broker buying prices per gross ton on cars:

No. 1 hvy. melting	$ 67.00 to	$ 68.00
No. 2 hvy. melting	56.00 to	57.00
No. 1 busheling	80.00 to	81.00
No. 1 dealer bundles	79.00 to	80.00
No. 2 bundles	39.00 to	40.00
Machine shop turn	14.00 to	15.00
Mixed bor. and turn	13.00 to	14.00
Shoveling turnings	17.00 to	18.00
Cast iron borings	22.00 to	23.00
Low phos. plate	95.00 to	96.00
Structural and plate, 2 ft. and under	98.00 to	99.00
Rails, 2 ft. and under	98.00 to	99.00
Scrap rails, random lgth.	77.00 to	78.00
No. 1 machinery cast	81.00 to	82.00
No. 1 cupola cast	61.00 to	62.00

St. Louis

No. 1 hvy. melting	$ 70.00 to	$ 71.00
No. 2 hvy. melting	59.00 to	60.00
Foundry steel, 2 ft.	70.00 to	71.00
No. 1 dealer bundles	70.00 to	71.00
No. 2 bundles	54.00 to	55.00
Machine shop turn	17.00 to	18.00
Shoveling turnings	23.00 to	24.00
Cast iron borings	27.00 to	28.00
No. 1 RR hvy. melting	70.00 to	71.00
Rails, random length	72.00 to	73.00
Rails, 18 in. and under	93.00 to	94.00
RR specialties	87.00 to	88.00
Cupola cast	72.00 to	73.00
Heavy breakable cast	50.00 to	51.00
Stove plate	83.00 to	84.00
Steel car wheels	101.00 to	102.00
Rerolling rails	80.00 to	81.00
Unstripped motor blocks	61.00 to	62.00

Birmingham

No. 1 heavy melting	$ 73.00 to	$ 74.00
No. 2 heavy melting	67.00 to	68.00
No. 1 dealer bundles	75.00 to	76.00
No. 2 bundles	55.00 to	56.00
No. 1 busheling	75.00 to	76.00
Shredder scrap	97.00 to	98.00
Machine shop. turn	29.00 to	30.00
Shoveling turnings	43.00 to	44.00
Cast iron borings	43.00 to	44.00
Electric furnace bundles	69.00 to	70.00
Elec. furnace, 3 ft. & under	73.00 to	74.00
Structural and plate, 2 ft.	103.00 to	104.00
Structural and plate, 4 ft.	93.00 to	94.00
No. 1 RR hvy. melting	93.00 to	94.00
Scrap rails, random lgth.	90.00 to	91.00
Rails, 2 ft. and under	108.00 to	110.00
Angles and splice bars	92.00 to	93.00
No. 1 cupola cast	87.00 to	88.00
Unstripped motor blocks	69.00 to	70.00

Cincinnati

Brokers buying prices per gross ton on cars:

No. 1 hvy. melting	$ 60.00 to	$ 61.00
No. 2 hvy. melting	57.00 to	58.00
No. 1 dealer bundles	73.00 to	74.00
No. 2 bundles	33.00 to	34.00
Machine shop turn	5.00 to	6.00
Shoveling turnings	7.00 to	8.00
Cast iron borings	20.00 to	21.00
Low phos. 18 in. and under	91.00 to	92.00
Rails, random length	74.00 to	75.00
Rails, 2 ft. and under	88.00 to	89.00
No. 1 cupola cast	62.00 to	63.00
Heavy breakable cast	28.00 to	29.00
Drop broken cast	81.00 to	82.00

New York

Brokers buying prices per gross ton on cars:

No. 1 hvy. melting	$ 50.00 to	$ 52.00
No. 2 hvy. melting	41.00 to	43.00
No. 2 dealer bundles	23.00 to	27.00
Mixed bor. and turn	11.00 to	13.00
Machine shop turn	6.00 to	7.00
Shoveling turnings	14.00 to	15.00
Clean cast. chem. borings	35.00 to	36.00
No. 1 machinery cast	89.00 to	90.00
Mixed yard cast	50.00 to	51.00
Heavy breakable cast	10.00 to	12.00
Stainless		
18-8 prepared solids	490.00 to	510.00
18-8 turnings	390.00 to	410.00
430 prepared solids	90.00 to	110.00
410 solids	80.00 to	90.00

Boston

Brokers buying prices per gross ton on cars:

No. 1 hvy. melting	$ 68.00 to	$ 70.00
No. 2 hvy. melting	58.00 to	60.00
No. 1 dealer bundles	70.00 to	71.00
No. 2 bundles	41.00 to	43.00
No. 1 busheling	78.00 to	80.00
Shredder scrap	76.00 to	78.00
Machine shop turn	14.00 to	16.00
Shoveling turnings	22.00 to	24.00
No. 1 machinery cast	85.00 to	90.00
Mixed cupola cast	56.00 to	58.00
Heavy breakable cast	14.00 to	15.00

San Francisco

No. 1 hvy. melting	$ 47.00 to	$ 49.00
No. 2 hvy. melting	41.00 to	43.00
No. 1 dealer bundles	37.00 to	39.00
No. 2 dealer bundles	19.00 to	21.00
Machine shop turn	6.00 to	8.00
Cast iron borings	6.00 to	8.00
No. 1 cupola cast	81.00 to	83.00

Los Angeles

No. 1 hvy. melting	$ 48.00 to	$ 50.00
No. 2 hvy. melting	41.00 to	43.00
No. 1 dealer bundles	38.00 to	40.00
No. 2 dealer bundles	19.00 to	21.00
Machine shop turn	10.00 to	12.00
Shoveling turnings	8.00 to	10.00
Cast iron borings	6.00 to	8.00
Elec. furnace, 1 ft. and under (foundry)	77.00 to	79.00
No. 1 cupola cast	75.00 to	77.00

Seattle

No. 1 hvy. melting	$ 70.00 to	$ 72.00
No. 2 hvy. melting	59.00 to	61.00
No. 2 bundles	41.00 to	43.00
No. 1 cupola cast	94.00 to	95.00
Mixed yard cast	84.00 to	86.00

Hamilton, Ont.

Brokers buying price per net ton on cars:

No. 1 heavy melting	$ 91.00
No. 2 heavy melting cut 2 ft. and under	87.00
No. 1 dealer bundles	92.00
No. 2 bundles	53.00
Mixed steel scrap	62.00
Bush. new fact. prep'd.	93.00
Bush. new fact. unprp'd.	83.00
Machine shop turn	41.00
Short steel turn	43.00
Mixed bor. and turn	30.00
Cast scrap	79.00

Houston

Brokers buying prices per gross ton on cars:

No. 1 hvy. melting	$ 73.00 to	$ 74.00
No. 2 hvy. melting	60.00 to	61.00
No. 2 bundles	45.00 to	46.00
Machine shop turn	16.00 to	17.00
Crushed turnings	34.00 to	35.00
Shredder scrap	76.00 to	77.00
Cut structural plate, 2 ft. and under	102.00 to	104.00
Cut structural plate, 5 ft. and under	86.00 to	88.00
Unstripped motor blocks	60.00 to	61.00
Cupola cast	80.00 to	81.00

DURABLE ORDERS POST MODEST RISE

New orders for manufactured goods in August fell after rising the previous month, the drop was the second in three months.

Overall orders dropped 0.7 pct to $192.6 billion, $1.4 billion less than July. August new orders for durable goods alone were up only 0.4 pct, $102.2 billion compared with $101.7 billion in July. The nation's durable goods industries continue to be more up than down, showing pluses in August, July and May, for example.

Capital goods orders in nondefense industries in August dropped for the third consecutive month while the defense industries segment rose again. In the latter category, defense industries orders were up 6 pct in August to $7.7 billion. Non-defense capital goods orders, a key indicator of business investment, declined 4 pct to $26.3 billion versus July's $27.6 billion. They also declined in July compared with June.

In metalworking, machine tools continued to inscribe an erratic path. Total orders dropped almost 56 pct to $201.0 million compared with July's $313.4 million. Within that category there was virtually no change in orders for metalcutting tools, $135.4 million in the eighth month compared with $135.9 million in July. Metalforming machine tools orders dropped precipitously, by 170 pct, only $65.7 million in August versus $177.6 million the previous month.

Primary metals orders rose slightly—$11.3 billion to July's $11.2 billion, the Commerce Department said.

The 0.4 pct increase in durable goods new orders resulted from larger offsetting movements within the major industry categories, the government said. Primary metals in total was up 0.8 pct, and steel increased 4 pct to $4.8 billion. There was no change in orders for transportation equipment, but aircraft and shipbuilding industries declined, 17 pct and 5 pct respectively.

Billions of Dollars, Seasonally Adjusted Monthly Total, unless otherwise noted **Source: U.S. Dept. of Commerce**		Latest Month or Qtr.	Previous Month or Qtr.	Same Period Year Ago
CAPITAL EXPENDITURES (Annual Rates)				
U.S. Industry, Total	2nd Qtr.	$303.8	$293.2	$261.2
Manufacturing, Total	2nd Qtr.	126.0	122.8	108.8
Manufacturing, Durable Goods	2nd Qtr.	58.3	58.9	48.5
Mining Industry	2nd Qtr.	13.3	14.0	10.9
KEY INDICATORS, Durable Goods Manufacturing				
New Orders	Aug.	102.2	101.7	89.3
Shipments	Aug.	101.1	98.4	87.6
Inventories	Aug.	187.2	185.0	170.5
Unfilled Orders	Aug.	349.2	348.1	309.6
NEW ORDERS, METALWORKING				
Capital Goods Producers, Nondefense Industries	Aug.	26.3	27.6	22.9
Capital Goods Producers, Defense Industries	Aug.	7.7	7.2	4.5
Primary Metals, Total	Aug.	11.3	11.2	10.9
Steel (SIC 331)	Aug.	4.8	4.6	4.6
Iron & Steel Castings (SIC 332)	Aug.	1.4	1.4	1.1
Nonferrous Metals	Aug.	5.1	5.2	5.2
Nonelectrical Mach.-Equip. Industries, Total	Aug.	17.4	18.1	15.3
Engines & Turbines	Aug.	1.3	2.1	0.9
Farm Machinery & Equipment (Shipments)	Aug.	0.7	0.8	0.8
Construction, Mining & Mat. Hdlg. Equip.	Aug.	2.4	2.9	2.2
General Industrial Machinery	Aug.	1.5	1.4	1.2
Fluid Power Equipment** (Index-1972=100)	Aug.	266.0	259.0	210.0
Metalworking Machinery	Aug.	0.9	1.2	0.8
Machine Tools, Total ($ Mill., Unadjusted)***	Aug.	201.0	313.4	137.2
Machine Tools, Metalcutting***	Aug.	135.4	135.9	91.0
Machine Tools, Metalforming***	Aug.	65.7	177.6	46.2
Electrical Mach. & Equip. Industries, Total	Aug.	16.5	16.3	13.5
Elec. Transmission Equip. & Ind. Apparatus	Aug.	2.1	2.0	1.9
Household Appliances	Aug.	1.4	1.5	1.3
Communication Equipment	Aug.	6.1	5.0	3.9
Transportation Equip. Industrial, Total	Aug.	25.3	25.3	21.7
Motor Vehicles & Parts (Shipments)	Aug.	17.4	15.7	14.6
Aircraft, Missiles & Parts	Aug.	7.1	8.3	5.4
Shipbuilding & Military Tanks	Aug.	0.4	0.6	0.2
Fabricated Metal Products, Total	Aug.	12.0	11.0	10.1
Instruments, Total	Aug.	4.9	4.9	4.0

*Est.—Commerce Dept.; **Source: National Fluid Power Assn.; ***Source: NMTBA